ARTICLE APPEARED ON PAGE. 3-18

NEW YORK TIMES 8 May 1986

Justice Agency Said to Resist C.I.A. Call to Prosecute News Groups

By STEPHEN ENGELBERG

J

Special to The New York Times

WASHINGTON, May 7 — The Justice Department is resisting the Central Intelligence Agency's call for prosecution of news organizations that have published information classified as secret. Reagan Administration officials said today

The Director of Central Intelligence, William J. Casey, said today that he met with Justice Department officials Friday "to make it clear that I believed that there had been a violation of the law" by several news organizations in reporting on the recent military con-frontations with Libya.

At the same meeting, the Administration officials said, Mr. Casey unsuccessfully sought a Justice Department commitment to prosecute The Washington Post if that newspaper published information it had obtained about the National Security Agency. They said Mr. Casey had also explored the idea of asking the courts to forbid news organizations to publish or broadcast highly classified information as future cases

Mr. Casey said he met the same day with two senior editors of The Post and warned them the paper would be prosecuted if it went ahead with its report.

Pressures for Sanctions

Both the Administration and Congress are pushing for sharper sanctions against those who disclose secrets. Earlier this month the Pentagon dismissed a senior official on the ground that he had been the source for a news article on a sensitive issue.

Mr. Casey said today that he believed The Post, The New York Times, The Washington Times, Time magazine and Newsweek magazine had violated the law by publishing classified material on the Libya action. Editors at all the publications said they had not been told of any possible violations of

Administration officials said there was little enthusiasm in the Justice Department for either prosecuting news organizations or asking the courts to impose restraint before publication. But they said that Attorney General Edwin Meese 3rd had not yet given his

The officials said that the C.I.A. had not formally referred the Casey list of alleged violations by the five news organizations to the Justice Department for prosecution. One official speculated that the cases the C.I.A. director mentioned were not seriously contemplated as subjects for prosecutions but had been brought up by Mr. Casey as a means of persuading The Post not to publish its report.

Court Action Foreseen

An intelligence official said that Mr. Casey's goal was to "join the battle" over the issue of printing information that publications know to be classified and, if necessary, take the issue all the way to the Supreme Court.

Mr. Casey has long been concerned with this problem. In a recent address to the American Society of Newspaper Editors, he quoted a speech in which the chairman of the board of The Washington Post Company, Katharine Graham, acknowledged that there were instances in which newspapers should withhold articles on national security

Mr. Casey told the newspaper editors that the Director of Central Intelligence had a duty to warn newspapers when their work could threaten national security or endanger lives.

He said today that this was the intent of his meeting with the Washington Post editors. "I was there, not to threaten but in an objective way lay out what I thought the dangers were in publication of the material they had," he

Mr. Casey declined to describe the matters at issue, but Administration officials said the information obtained by The Post might have included some of the classified data provided to the Soviet Union by Ronald W. Pelton, a former employee of the N.S.A. who has been charged with espionage. The Government contends that Mr. Pelton, a former N.S.A) employee who is in jail awaiting trial, told the Russians about American systems used to intercept communications.

Two officials said the information The Post had obtained was on a broader range of N.S.A. activities.

In an interview late Tuesday, Benjamin C. Bradlee, executive editor of The Washington Post, said the paper was still studying the question of whether the report would be published. He said it had been scheduled to appear in the issue of last Sunday but had been withheld after Mr. Casey's request.

Officials said that Mr. Casey had suggested using a 1950 law that makes it crime to disclose classified information relating to codes, ciphers and other communications intelligence.

Reaction by Times Editor

The Washington Post said in an article today that The New York Times was one of the publications cited last Friday by Mr. Casey, but Government sources would not confirm that to The Times Tuesday night. A. M. Rosenthal, executive editor of The Times, said today, "We haven't received any information, or any approach, from the De-

partment of Justice or any Federal agency, and we have no information as to what this is all about.

Time magazine said today that the C.I.A. had refused to tell it what articles were possible violations of the law. A statement issued by Henry A. Grunwald, editor in chief of Time Inc., said: "Despite a specific request from us, the C.I.A. has refused to state which articles published in Time may have violated the law. It is irresponsible to talk about the possibility of prosecuting Time and other news organizations without telling us what we may be prosecuted for. We are not aware of having violated any Federal statute.

Arnaud de Borchgrave, editor in Chief of The Washington Times, said his newspaper would continue to be mindful of both national security and "the obligations of journalism and the public interest."